



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO.1512

DATE: June 2, 2015

TO: Iowa Medicaid Audiologists, Birthing Centers, Certified Registered Nurse Anesthetists, Chiropractors, Clinics, Community Mental Health Clinics, Family Planning Clinics, Federally Qualified Health Centers, Hearing Aid Dealers, Independently Practicing Physical Therapists, Lead Investigation Agencies, Maternal Health Centers, Medical Equipment and Supply Dealers, Nurse Midwives, Opticians, Optometrists, Orthopedic Shoe Dealers, Physicians, Rural Health Clinics and Screening Center Providers

FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Clarification on Multiple Surgery Rules for Providers Billing on CMS-1500 Claim Forms

EFFECTIVE: Upon Receipt

Recently, the IME Program Integrity Unit identified a number of multiple surgery pricing errors that resulted in both over and underpayments for services reimbursed by the IME over the past three years. The IME will be processing mass adjustments to correct the multiple surgery payment errors. Affected providers can expect the mass adjustments to begin in mid-June 2015. Providers who are significantly impacted by this adjustment will be contacted via telephone by the IME Provider Services Unit with a dollar amount prior to the mass adjustment.

As a reminder, the IME utilizes the Medicare Physician Fee Schedule (MPFS) Multiple Surgery Indicators meaning; all Current Procedural Terminology (CPT) codes with a Multiple Surgery Indicator of "2 or "3" are subject to payment reduction rules.

Iowa Medicaid reviews all claims billed for the same provider, same member and same date of service and applies the following payment reduction methodologies:

Multiple Endoscopy Pricing Reduction - the IME utilizes the MPFS to determine the endoscopy base code (family) for endoscopy procedures. All of the codes billed are grouped into families. The code with the highest reimbursement is paid in full and is eligible for multiple surgery reductions as described below. All other codes, from the same family, are paid at the reimbursement rate minus the fee schedule amount for the endoscopy base code. Multiple endoscopy rules only apply to codes within the same families.

Multiple Surgery Pricing Reduction – These reductions apply to any service(s) that did not receive a multiple endoscopy reduction and services that do not have the 50 modifier appended. The code with the highest reimbursement amount is paid in full (codes with 50

modifier are considered in the highest paying ranking process). All remaining codes receive a 50 percent payment reduction.

It is **not** necessary for providers to append the 51 modifier when multiple surgical services are billed. The multiple surgery pricing rules are applied regardless of the presence of the 51 modifier.

If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909, or email imeproviderservices@dhs.state.ia.us.